



***United States Attorney
Southern District of New York***

**FOR IMMEDIATE RELEASE
JULY 13, 2006**

**CONTACT: U.S. ATTORNEY'S OFFICE
HERBERT HADAD, HEATHER TASKER
BRIDGET KELLY
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**U.S. CONVICTS TONGSUN PARK FOR CONSPIRING TO ACT
AS AN UNREGISTERED AGENT OF IRAQ IN FIRST TRIAL
RELATED TO THE UNITED NATIONS' OIL-FOR-FOOD PROGRAM**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK MERSHON, the Assistant Director in Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today that a jury in the United States District Court for the Southern District of New York convicted TONGSUN PARK, 71, a South Korean citizen, in connection with PARK's participation in a conspiracy to act in the United States as an unregistered agent of the Government of Iraq and, in particular, to assist the Iraqi Government with respect to the creation of the United Nations' Oil-for-Food Program. PARK has been in custody in New York since he was arrested and indicted in January 2006.

The evidence at trial established that, beginning in or about October 1992, PARK and Samir Vincent, who is now a cooperating witness, agreed to work together on behalf of Saddam Hussein's regime to promote the lifting of the international economic sanctions that had been placed on that regime after the invasion of Kuwait in 1990. These efforts ultimately led to the adoption of the United Nations' Oil-for-Food Program, which allowed Iraq to sell limited quantities of oil, and use the proceeds of those oil sales to purchase humanitarian goods for the benefit of the Iraqi people.

The evidence at the PARK trial established that Vincent's role was to act as an intermediary to, among others, officials of the Government of Iraq and former U.S. Government officials who had access to current U.S. Government officials. PARK's role was to serve as the intermediary to United Nations officials, including former Secretary-General Boutros Boutros-Ghali and former Under-Secretary-General Maurice Strong. In his capacity as the Iraqi

Government's liaison to the United Nations, PARK arranged meetings during 1993 between himself, Boutros-Ghali, and Vincent, including three such meetings at Boutros-Ghali's Manhattan residence. In addition, PARK and Vincent arranged a 1993 meeting in Geneva, Switzerland, among Boutros-Ghali and Tariq Aziz, then the Deputy Foreign Minister for the Saddam Hussein regime, and Barzan al-Tikriti, the half-brother of Saddam Hussein, who at the time served as the Iraqi Ambassador to the United Nations in Geneva.

As established at trial, following these meetings, PARK and Vincent continued to negotiate with high-ranking United Nations officials regarding the terms and conditions of a potential oil-for-food agreement between Iraq and the United Nations. Vincent apprised the former U.S. Government officials about the progress being made in these negotiations with the United Nations officials. In part as a result of these negotiations, the Security Council of the United Nations adopted Resolution 986 on April 14, 1995, which authorized Iraq to sell oil and to use the proceeds of those oil sales to purchase humanitarian goods for the benefit of the Iraqi people, all under the supervision of the United Nations. Iraq accepted Resolution 986 only after more than a year of negotiations as to the particular methods by which the Resolution was to be implemented. From 1996 through 2003, Iraq sold vast quantities of oil in connection with the United Nations' Oil-for-Food Program, which, according to the Indictment, the former Iraqi regime used to extract hundreds of millions of dollars in illegal kickbacks.

As the evidence at trial established, PARK received at least \$2 million in cash from the Government of Iraq as compensation for his efforts with Vincent on behalf of the Government of Iraq. It was understood by Vincent and the representatives of the Government of Iraq with whom he and PARK dealt, that some of the money PARK received from the Government of Iraq would be used by PARK to "take care" of Boutros-Ghali. The evidence at trial also established that PARK caused the transfer of approximately \$1 million of that Iraqi cash to Maurice Strong for the purchase of shares in a now-defunct oil company controlled by Strong's family. Until mid-2005, Strong served as the United Nations' Special Envoy to the Korean Peninsula under current United Nations Secretary-General Kofi Annan.

At no time during the course of conducting these activities in the United States on behalf of the Government of Iraq did PARK or Vincent register with the Attorney General as agents of the Iraqi Government, as required by federal criminal law.

In June 2006, Southern District of New York prosecutors also obtained an Indictment against PARK in the District of Columbia for making false statements about his participation in the

Oil-for-Food Program to FBI agents during an interview at the Watergate Hotel in December 2004. That charge is merely an accusation, and the defendant is presumed innocent unless and until proven guilty.

The New York Indictment also charges Oscar S. Wyatt, David B. Chalmers, Ludmil Dionissiev, and several other individual and corporate defendants with participating in a kickback scheme with the Hussein regime during the Oil-for-Food Program. Those defendants are scheduled to stand trial in Manhattan federal court beginning November 8, 2006.

United States District Judge Denny Chin set PARK's sentencing for October 26, 2006, at 4:30 p.m. PARK faces a maximum sentence of five years in prison, a maximum fine of \$250,000, or twice the gross pecuniary gain or loss as a result of the offense, and three years' supervised release on his New York conviction. He faces the same penalties for the pending charge in the District of Columbia.

Mr. GARCIA praised the Federal Bureau of Investigation, Counterintelligence and Criminal Divisions, and the United States Department of State. He also expressed appreciation to the Independent Inquiry Committee into the United Nations Oil-for-Food Program and the United Nations Office of Legal Affairs for their invaluable assistance during the course of the prosecution. Finally, Mr. GARCIA expressed his appreciation for the assistance provided by the current Iraqi Mission to the United Nations.

Mr. GARCIA stated: "TONGSUN PARK sold his access to United Nations officials in exchange for millions of dollars in cash. He broke U.S. law by not informing the Government of his efforts in this country to assist Saddam Hussein's regime. Now he faces a substantial prison term and significant financial penalties for his role in corrupting the process that led to the adoption of the Oil-for-Food program."

Mr. MERSHON stated: "Failing to register as an agent of a foreign government, Park actively lobbied U.N. officials to establish the Oil-For-Food program, while extracting millions of dollars from profiteering Iraqi officials for his efforts. His conviction is a reflection of the dedication of the FBI agents and prosecutors in this case who are committed to rooting out this kind of egregious misconduct."

AMBASSADOR FEISAL AMIN al-ISTRABADI, the Deputy Permanent Representative to the United Nations from the Republic of Iraq

stated, "[i]ndividuals like TONGSUN PARK, who actively represented the interests of the former regime in international matters and were willing to take money for those efforts from that regime, strengthened that regime and led to the continued oppression of the people of Iraq. The Republic of Iraq is grateful for the hard work and dedication of the United States Attorney's Office for the Southern District of New York and the FBI for pursuing this case and continuing to investigate criminal wrongdoing related to the Oil-for-Food Program."

Assistant United States Attorneys Edward O'Callaghan, Stephen Miller, and Michael Farbiarz are in charge of the prosecution.

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